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IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
P.O. Box 46667
Denver, Colorado 80201-6667

March 9, 2006

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DIV. OF OIL, GAS & MINING

John R. Baza, P.E., Director
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple
Suite 1210, PO Box 145801
Salt Lake City, UT 84114-5801

Heating
C/007/0004
C/007/0038v

**RE: Phase I Bond Releases at Castle Gate Holding Company, Castle Gate Mine,
Permit No. C/007/004; and Plateau Mining Corporation, Willow Creek Mine,
Permit No. C/007/038**

Dear Mr. Baza,

This letter acknowledges the Office of Surface Mining (OSM), Western Region, Denver Field Division's (DFD) receipt and review of two Phase I Bond Release, State Decision Documents dated February 16, 2006, prepared by the Division of Oil, Gas, and Mining (DOGM). DFD agrees with the written findings and State Decision Documents for the two mine sites noted above, and hereby provides OSM concurrence for the two bond releases in accordance with 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, of the Utah State-Federal Cooperative Agreement.

A thorough summary of the operational and reclamation history of the mines are accurately captured in the two DOGM State Decision Documents. Public, governmental, surface landowner, and adjoining landowner notifications of the bond release application were provided by the permittees (Castle Gate Holding Company and Plateau Mining Corporation). Bond release inspection notifications provided by DOGM are also documented in the State Decision Documents. Both OSM and the Bureau of Land Management (BLM) were notified of the bond release inspection conducted by DOGM on September 8, 2005. OSM was not able to participate in the inspection. BLM participated in the inspection, and concurred with the State Decision Documents in a letter to DOGM dated October 20, 2005.

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Phase I bond release, Castle Gate & Willow Creek Mines, pg.2

DOGM's State Decision Documents outline the applicant's compliance with the Utah approved regulatory program. Bond release criteria found in the above regulatory provisions have been met or exceeded by the permittees. Backfilling and grading to achieve the approximate original contour on these sites, and associated surface water runoff control is in compliance with the approved reclamation plans.

The Phase I bond release acreages, and the dollar amounts requested and approved for release at these two mine sites are as follows:

Castle Gate Mine

Sowbelly Gulch Substation	1.80 acres	\$65,000
Hardscrabble Substation	0.72 acres	\$51,000
Adit #1	3.00 acres	\$74,054

Willow Creek Mine

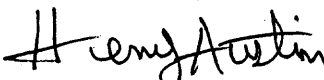
Gravel Canyon	5.75 acres	\$95,400
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A reclamation bond of \$490,000 will remain for future reclamation requirements at the Castle Gate Mine; and a \$7,770,600 reclamation bond will remain for future reclamation requirements at the Willow Creek Mine. OSM finds these bond amounts are adequate.

DOGM conducted the required bond release inspection as noted above on September 8, 2005. OSM has reviewed the resulting DOGM inspection report, associated historical correspondence, and DOGM's State Decision Documents. OSM concurs with DOGM on the Phase I bond release acreages and dollar amounts to be released on these two mines; and remaining bond amounts at each mine as shown above.

Thank you and your staff for coordinating this Federal lands bond release through the DFD. Please direct any questions concerning this action to Henry Austin, Senior Reclamation Specialist, at haustin@osmre.gov or to 303-844-1440 x1466.

Sincerely,


For James F. Fulton, Chief
Denver Field Division

Cc: Castle Gate Holding Company
Plateau Mining Corporation
BLM, Utah State Office